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8 Attorneys for the Official Committee
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11 UNITED STATES BANKRUPTCY COURT
12 NORTHERN DISTRICT OF CALIFORNIA
13 SAN FRANCISCO DIVISION

14 In re
15 Sedgwick LLP,
16 Debtor.

Case No. 18-31087
Chapter 11

**COMMITTEE'S STATEMENT ON
EXCLUSIVITY AND REQUEST FOR A
SCHEDULING CONFERENCE**

1 Paragraph 4 of this Court's order entered May 21, 2019 as Docket No. 224 provided that
2 the above-captioned debtor ("Debtor") and the Official Committee of Unsecured Creditors
3 ("Committee") could file simultaneous briefs on whether to extend the exclusivity period past its
4 current date of June 17, 2019, and that if no briefs were filed by today, the exclusivity period
5 would expire on its own on June 17, 2019 and the hearing set on exclusivity on June 13, 2019 at
6 10:00 a.m. in this Court would be cancelled.

7 The Committee opposes any further extension of the exclusivity period beyond June 17,
8 2019. Committee counsel had fully prepared, and was about to file, a brief to that effect today
9 when Committee counsel received a call from Debtor's counsel at approximately 2:15 p.m. today
10 informing Committee counsel that the Debtor (i) would not be filing a request to extend
11 exclusivity; and (ii) would be filing a Rule 9019 settlement motion settling clawback claims
12 against certain former partners without the Committee's consent or approval. The Debtor then
13 filed that unilateral settlement motion today as Docket No. 234.

14 The Committee is disappointed that the Debtor waited until the day briefs were due to
15 notify counsel that it was not seeking to extend exclusivity, thus causing the estate to expend
16 unnecessary attorney's fees in preparing the Committee's brief. Moreover though, the Committee
17 is shocked that the Debtor has taken this unilateral approach on the settlement of the clawback
18 claims, given that the creditors represented by the Committee are the sole beneficiaries of the
19 value of those claims. The Committee plans to object to the settlement, seek discovery in
20 connection with the settlement motion, and seek additional affirmative relief. The Committee
21 requests that in light of this development, and given the fact that this hearing was already
22 calendared for the Court and certain participants, including the Committee chairman Kelly Kinnon
23 and Committee counsel, Alan Feld, had already made plans to attend the scheduled hearing from
24 out of town, that the Court treat the hearing that had been scheduled for June 13, 2019 at
25 10:00 a.m. on exclusivity (which is no longer necessary as exclusivity will expire on its own on
26 June 17, 2019) as a scheduling conference on the settlement motion and the related relief to be
27 sought by the Committee.

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3 June 6, 2019

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

4 By

/s/ Michael Lauter

5 MICHAEL LAUTER

6 Attorneys for the Official Committee of Unsecured
Creditors

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